



SUNFLOWER SECTOR

SUNFLOWER SECTOR

SUB SECTOR BRIEF

Oiling the wheels of central corridor's processors and farmers capacities

Introduction

The sunflower sub-sector represents one of the key agricultural sectors in Tanzania's economy. Sunflower oil contributes about 40% of national cooking oil requirement, up from less than 20% in the past three years with the remaining 60% being imported; Sunflower is adapted for growing in the rather dry conditions of the Central Corridor where RLDC operates. 61% of the country sunflower production happens in the Central Corridor, this is equivalent to 267,274 farmers. There about 438,153 sunflower farmers in the country who engage in sunflower production.

The crop is an important source of income to poor small-scale farmers in the CC due to its drought resistant nature and low investment needed. Furthermore, because of health advantage the sunflower oil is having in comparisons to other cooking oil like palm oils, the crop demand has been on the rise since RLDP was introduced in 2005 and this has boosted production and markets for both sunflower grain and sunflower



cooking oil. Apart from sunflower oil, another important by-product from sunflower is seed cake, which is used as animal feed. Good performance of livestock sectors in the neighboring countries like Kenya and Uganda has also contributed to the high demand of sunflower seed cakes and ultimately high demand for sunflower grown from the Central Corridor.

Despite the increased sunflower production and the enhanced contribution of the sub-sector to the national economy and small-scale farmers' livelihoods, the sub-sector is still facing a lot of challenges/constraints which are holding it back to realize its potential. These constraints are; Lack of proper agronomic practices and low access to quality seeds, Lack of reliable markets for producers, Poor oil quality and marketing strategies by processors, Lack/inadequacy of working capital for processors, Processors' insufficient understanding of the



market system, hampering their efficiency and ability to exploit the available sector opportunities. Sector Vision and Objectives

Under the current four years sunflower sector strategy, RLDP envisioning to increase the share of national cooking vegetable oil contributed by the sunflower oil from the current 40% to about 65%, thereby reducing the importation of palm oil to 35% from the current 60%. This will be achieved by improving the production of sunflower from current 340,000MT (MAFSC, 2012) per annum to about 700,000MT per annum in the next four years (2012/13-2015/16) due to an increase of sunflower acreage 871,795 acres (est.) to about 1,196,600 acres and an increase of yield from the current 6 bags per acre to about 9 bags per acre on the average.

If the above vision is realized, the following is the expected impact on the livelihoods of the central corridor dwellers

1. Realization of gross income for small farmers in the central corridor which will subsequently reduce poverty considerably
2. An increase of sunflower oil production in the Central Corridor from about 204,000MT to 420,000MT for the next 4 years
3. Based on an average price of TShs 2,500 per litre of pressed raw oil, the additional oil production would result in an additional gross income for oil processors of about TShs 166 billion from oil alone which will consequently improve sunflower seeds market to sunflower farmers.

To reach above sector vision and objectives the following interventions are to be executed;

Intervention 1: Quality Declare Seeds (QDS) Production and Marketing

Quality declared seeds (QDS) are the seeds which are produced at farmer's level and sold to sunflower farmers around respective villages. The intervention on QDS is aiming at improving availability, accessibility and affordability of sunflower improved seeds to farmers. Building on the success achieved in two districts of Iramba and Singida Districts (Singida Region) for the past three years, RLDP sunflower team this year has expanded the project to three other Districts in Dodoma Region which are Mpwapwa, Kondoa and Kongwa. Mode of operation this year has changed a little bit by using private sector more than RLDP itself and LGAs. LGAs have remained with a supporting role in terms of supervision, extension services and training and private sector which are the sunflower oil processors working in contract farming are the main implementers of the projects.

Intervention 2: Contract Farming

This is ongoing intervention in sunflower sector but this time by focusing more on the working with fewer partners but with more outreach. Partners who selected to continue with a program are those who performed well last year, willing to improve their enterprises in terms of growth, achieving oil quality standards and contributing more in developing farmer's capacities. Instead of working with 13 partners the sector worked last year, the sector this year work with only 7 oil processors who we expect will reach about 27,209 sunflower farmers in three regions of Dodoma, Singida and Manyara. Last year the 13 processors who worked with RLDP reached about 21,224 farmers

Intervention 3: Mobile phone based Agricultural Information System

Through the experience RLDP had over the years in contract farming interventions in both sunflower and cotton sectors, it came to be realized that timely agricultural information delivery and provision of relevant and appropriate to right individuals is a big challenge. Due to this, sunflower sector has decided to test the usage of mobile information system to help ease provision of various agricultural information like availability of agricultural input like seeds and fertilizers and location where these inputs are available and their price, time for planting and weeding, proper spacing, time for harvesting, eruption of diseases, harvesting time, proper post harvesting handling, price of sunflower and sunflower oil etc. This Intervention now is being piloted by a private company called MSK Refinery Company Limited based in Mwanza. To start with RLDP facilitate MSK refinery to work with 3000 farmer in Shinyanga region (Kishapu, Maswa and Meatu Districts) as a pilot intervention before living them to cover all planned 35, 000 farmers.

Intervention 4: Conservation Agriculture and Block Farming

This is another pilot intervention which is aiming at improving traditional contract farming for better efficiency and effectiveness. The Central Corridor is one of the driest regions in the country and in the past few years because of climatic change the weather condition has even deteriorated further and top of that due to lack of agronomy skills/knowledge to farmers all of them have resulted to the farmers productivity been adversely affected. RLDP has decided to introduce both conservation agriculture and block farming as a pilot intervention to curb the above mentioned constraints. Conservation agriculture will involve the usage of chisel plough by tractors and rippers for ox plough while training farmers on crop rotations and soil conservation measures. In this intervention farmers will be provided with extension services and credit in form of mechanization services, improved seeds, fertilizer and pesticides. The cost of mechanization services and inputs (seed, fertilizers and pesticides) are recovered in-kind at harvest.

The intervention is being piloted in Kongwa District, Dodoma Region with one Company called Kibaigwa Flour Supplies Company Limited based at Kibaigwa Township, where the international market for cereals is based and the intervention is aiming at reaching about 5000 sunflower farmers, where at least 200 farmers will be involved in piloting block farming and 4800 farmers will be involved in conservation agriculture.

Intervention 5: Farmers Mapping and Crop Insurance

This intervention is aiming at mapping the location of farms and generates more accurate information on the size of farms of sunflower farmers using Global Positioning System (GPS) technology. This will help determine inputs requirement for each farm alongside with weather conditions for each location. It also helps with the enforcement



of contracts to know where farms are located and what the general climatic conditions for intervention areas. The gathered information will also be used to calculate insurance premiums for the farmers with a view of introducing crop insurance and/or health insurance as a way of protecting both farmers and partners' investment. The intervention is planned to be piloted in Singida Region by Mount Meru Group of Companies based in Arusha.

The intervention is expected to map 2,000 farms and requisite data on all farmers will be gathered for processing. Out of the mapped farmers 100 - 200 farmers will be identified and insured against crop loss and poor health during pilot programme. If the pilot becomes successful, the insurance scheme will be up scaled to more farmers. The intervention not yet started.

Intervention 6: Processors Capacity Building & Market Competitiveness

Following the fact that most of the small and medium scale sunflower oil processors are operating in a rather unhygienic environment because of non-streamlined processing factories, the produced oil has been of poor quality hence not been meeting quality standards in the market. This has rendered most sunflower oil processors uncompetitive and unable to penetrate high end markets like super markets and export markets within East Africa region. RLDP now want to pilot and demonstrate by streamlining sunflower oil processing factories by installing an automated line for collecting pressed and filtered oil and taking out seeds cakes. This will significantly reduce the oil spill over as well as seed cakes residues on the floor which are the source of dirtiness in these factories. In this intervention processors will buy the materials for fabricating conveyors, oil tanks, oil piping system and all needed materials and RLDP will support the fabricating and instalation fee. For the first year this intervention will be pilot to two processors as demonstration. (The intervention is about to start)

Intervention 7: Financial Linkages to Processors

Through the experience RLDP had with processors in collateral management system with CRDB bank, the sunflower will use the lessons learnt from the intervention and link more processors with more banks in order to access loans for working capital and investment loans. RLDP will identify the banks and loan products the banks provide and share the information with the processors or link them the banks wherever possible.

This intervention is aiming at improving market competitiveness through acquisition of modern processing technology, ensuring steady supply of raw materials and improving market for sunflower oil seeds from farmers in terms of volume bought and price paid. The intervention is targeting about 40 processors and at least two banks/financial institutions to ensure fair competition.

Intervention 8: Strengthening TASUPA for Lobbying and Advocacy

Strengthening capacity for Tanzania Sunflower Promoters Association (TASUPA) in order to improve lobby and advocacy capability for the association will continue. Since the association has reviewed its constitution and formulated a five year strategic plan alongside financial regulation manual and human resource policy, RLDP will this year financial focus on supporting the association implement what is planned in a strategic plan, this will go hand in hand in making the association financially sustainable by linking it more with regional associations and hence recruiting more members. Among the things which will be supported by RLDP are putting into operational a steering committee, starting implementing a five year strategic plan, which will include among other things lobbying for improved business environment on the area of sunflower oil, and improved seeds, improved coordination of the processors, improved representation participation and improved ability of the association to network with stakeholders in the sector.



Rural Livelihood Development Company, P.O.Box 2978, Dodoma, Tanzania
Tel: +255 26 2321455, +255 262321457 Website: www.rldp.org